



DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF ENGINEERS
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CEMP-POD (1105-2-10a)

22 DEC 2004

SUBJECT: Unalaska, Alaska

THE SECRETARY OF THE ARMY

1. I submit for transmission to Congress my report on navigation improvements for Unalaska, Alaska. It is accompanied by the report of the district and division engineers. These reports are in partial response to a resolution adopted by the Committee on Public Works of the House of Representatives on 2 December 1970. The study resolution requested review of the reports of the Chief of Engineers on Rivers and Harbors in Alaska, published as House Document 414, 83rd Congress, and other pertinent reports, with a view to determine whether any modifications of the recommendations contained therein are advisable at the present time. Preconstruction engineering and design activities for the Unalaska, Alaska, project will be continued under the authority provided by the resolution cited above.

2. The reporting officers recommend constructing a harbor at Unalaska, Alaska. The recommended plan incorporates one rubblemound breakwater (181 meters (594-feet) long), 2 floating breakwaters (totaling 398 meters (1306-feet) in length), and a staging area using material dredged from the mooring basin. The rubblemound breakwater is constructed off a reef to avoid mussel habitat and has a near shore breach at 0 MLLW to allow fish passage along the shoreline. Mooring basin and maneuvering area depths are at -5.5 meters (18-feet) MLLW and entrance channels at -6.1 meters (20-feet) MLLW. Mitigation measures include limits on construction timing and activities to avoid impacts to endangered species, sea mammals, and important habitat and provide for harbor planning and operation to avoid and minimize impacts. The recommended plan would provide a 5.6 hectare (14-acres) mooring basin and protected mooring for 75 vessels ranging from 24 meters (79-feet) to 45 meters (148-feet) in length.

3. Project costs are allocated to the commercial navigation purpose. The estimated first cost of the general navigation features (GNF) of the recommended plan based on October 2003 price levels is \$13,673,000. The GNF cost includes breakwater construction and mitigation. In accordance with Section 101 of the Water Resources Development Act (WRDA) of 1986, as amended by Section 201 of WRDA 1996, the ultimate Federal and non-Federal shares of GNF are estimated to be \$11,133,000 and \$2,540,000, respectively. In addition, the Federal Government would incur the costs of navigation aids currently estimated to be \$20,000. The non-Federal portion includes 10 percent of the cost for the GNF which is based on an overall project depth less than -6.1 meters (20-feet) MLLW and an additional cash payment of 10 percent of costs allocated to GNF, including interest, less credit for land, easements, rights-of-way, and relocations over a period not

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to exceed 30 years. Creditable non-Federal lands, easements, rights-of-way, and relocations are estimated to be \$195,000. In addition to this amount, the local sponsor, the City of Unalaska, will be investing \$9,984,000 in local service facilities, which include a float system, dredging of the moorage basin, and real estate for the non-Federal moorage basin. Total costs for all features required to obtain the projected navigation benefits, including GNF, lands, easements, rights-of-way, and relocations, local service facilities, and aids-to-navigation are estimated to be \$23,872,000.

4. Total average annual charges, based on a discount rate of 5 5/8 percent and a 50-year period of economic analysis, are \$1,599,000. Average annual benefits are estimated at \$2,152,000, for a benefit-to-cost ratio of 1.3 to 1. The average annual cost for operation and maintenance of the national economic development (NED) plan is estimated to be \$82,000, including \$38,000 for U.S. Army Corps of Engineers maintenance of the breakwaters and conducting periodic hydrographic survey. The annual cost for the non-Federal sponsor to operate and maintain the piles and floats and maintain depths within the harbor is \$43,000. The U.S. Coast Guard would maintain the navigation aids at an annual cost of \$1,000. The locally preferred plan is the NED plan.

5. Washington level review indicates that the plan recommended by the reporting officers is technically sound, economically justified, and environmentally and socially acceptable. The proposed project complies with applicable Corps planning procedures and regulations. Also, the views of interested parties, including Federal, state and local agencies, have been considered.

6. I generally concur in the findings, conclusions, and recommendation of the reporting officers. Accordingly, I recommend that navigation improvements for the Unalaska, Alaska, project be authorized generally in accordance with the recommended plan of the reporting officers and with such modifications as in the discretion of the Chief of Engineers may be advisable in the future. My recommendation is subject to cost sharing, financing, and other applicable requirements of Federal and State laws and policies, including Public Law 99-662 (WRDA 1986) as amended by Section 201 of Public Law 104-303 (WRDA 1996). This recommendation is subject to the non-Federal sponsor agreeing to comply with all applicable Federal laws and policies, including the following requirements:

a. Enter into an agreement, which provides, prior to execution of the project cooperation agreement, 25 percent of design costs;

b. Provide, during construction, any additional funds needed to cover the non-federal share of design costs;

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c. Provide, during the period of construction, a cash contribution equal to the following percentages of the total cost of construction of the general navigation features (which include the construction of land-based and aquatic dredged material disposal facilities that are necessary for the disposal of dredged material required for project construction, operation, or maintenance and for which a contract for the federal facility's construction or improvement was not awarded on or before October 12, 1996;), or a dredged material disposal facility designed, constructed, managed, or operated by a public or private entity, if consistent with economic and environmental considerations, said facility is the least-cost alternative):

(1) 10 percent of the costs attributable to dredging to a depth not in excess of 20 feet; plus

(2) 25 percent of the costs attributable to dredging to a depth in excess of 20 feet but not in excess of 45 feet; plus

(3) 50 percent of the costs attributable to dredging to a depth in excess of 45 feet;

d. Pay with interest, over a period not to exceed 30 years following completion of the period of construction of the project, up to an additional 10 percent of the total cost of construction of general navigation features. The value of lands, easements, rights-of-way, and relocations provided by the non-Federal sponsor for the general navigation features, described below, may be credited toward this required payment. If the amount of credit exceeds 10 percent of the total cost of construction of the general navigation features, the non-Federal sponsor shall not be required to make any contribution under this paragraph, nor shall it be entitled to any refund for the value of lands, easements, rights-of-way, and relocations in excess of 10 percent of the total cost of construction of the general navigation features;

e. Provide all lands, easements, and rights-of-way, and perform or ensure the performance of all relocations determined by the Federal Government to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features (including all lands, easements, and rights-of-way, and relocations necessary for dredged material disposal facilities).

f. Provide, operate, maintain, repair, replace, and rehabilitate, at its own expense, the local service facilities consisting of the new mooring basin, all moorage facilities in addition to the area designated as betterment on the north breakwater; in a manner compatible with the project's authorized purposes and in accordance with applicable Federal and State laws and regulations and any specific directions prescribed by the Federal Government;

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g. Accomplish all removals determined necessary by the Federal Government other than those removals specifically assigned to the Federal Government;

h. Give the Federal Government a right to enter, at reasonable times and in a reasonable manner, upon property that the non-Federal sponsor owns or controls for access to the general navigation features for the purpose of inspection, and, if necessary, for the purpose of operating, maintaining, repairing, replacing, and rehabilitating the general navigation features;

i. Hold and save the United States free from all damages arising from the construction, operation, maintenance, repair, replacement, and rehabilitation of the project, any betterments, and the local service facilities, except for damages due to the fault or negligence of the United States or its contractors;

j. Keep, and maintain books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to the project, for a minimum of 3 years after completion of the accounting for which such books, records, documents, and other evidence is required, to the extent and in such detail as will properly reflect total cost of construction of the general navigation features, and in accordance with the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and local governments at 32 CFR, Section 33.20;

k. Perform, or cause to be performed, any investigations for hazardous substances as are determined necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. 9601-9675, that may exist in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, or rehabilitation of the general navigation features. However, for lands that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigation unless the Federal Government provides the non-Federal sponsor with prior specific written direction, in which case the non-Federal sponsor shall perform such investigations in accordance with such written direction;

l. Assume complete financial responsibility, as between the Federal Government and the non-Federal sponsor, for all necessary cleanup and response costs of any CERCLA regulated materials located in, on, or under lands, easements, or rights-of-way that the Federal Government determines to be necessary for the construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features;

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m. To the maximum extent practicable, perform its obligations in a manner that will not cause liability to arise under CERCLA;

n. Comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights-of-way, required for construction, operation, maintenance, repair, replacement, and rehabilitation of the general navigation features, and inform all affected persons of applicable benefits, policies, and procedures in connection with said act;

o. Comply with all applicable Federal and State laws and regulations, including, but not limited to, Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d), and Department of Defense Directive 5500.11 issued pursuant thereto, as well as Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army;" and all applicable Federal labor standards and requirements, including but not limited to 40 U.S.C. 3141-3148 and U.S.C. 3708 (revising, codifying and enacting without substantial change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S. C. 327 et seq.) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c));

p. Provide the non-Federal share of that portion of the costs of mitigation and data recovery activities associated with historic preservation, that are in excess of 1 percent of the total amount authorized to be appropriated for the project, in accordance with the cost sharing provisions of the agreement;

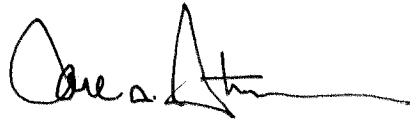
q. Do not use Federal funds to meet the non-Federal sponsor's share of total project costs unless the Federal granting agency verifies in writing that the expenditure of such funds is authorized.

r. Prepare and implement a harbor management plan to be coordinated with local interest. The harbor management plan shall incorporate best management practices to control water pollution at the project site.

7. The recommendation contained herein reflects the information available at this time and current departmental policies governing formulation of individual projects. It does not reflect program and budgeting priorities inherent in the formulation of a national civil works construction program or the perspective of higher review levels within the executive branch. Consequently, the recommendation may be modified before it is transmitted to the Congress as a proposal for authorization and implementation funding. However, prior to transmittal to the Congress, the sponsor, the State of Alaska, interested

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Federal agencies, and other parties will be advised of any significant modifications and will be afforded an opportunity to comment further.

A handwritten signature in black ink, appearing to read 'Carl A. Strock', with a long horizontal flourish extending to the right.

CARL A. STROCK
Lieutenant General, U.S. Army
Chief of Engineers